

25X1A9A/1

8 July 1952

Intelligence value of proposed dissertation

1. Rather than consider the intelligence value of my proposed dissertation for CIA generally, I should like to treat it in relation to the specific job that I am now doing. This is because I am more familiar with the aims and limitations of studies concerning a particular segment of the Soviet economy than with the aims and limitations of studies conducted by ORR generally. I suspect, however, that the conclusions reached will be generally applicable.

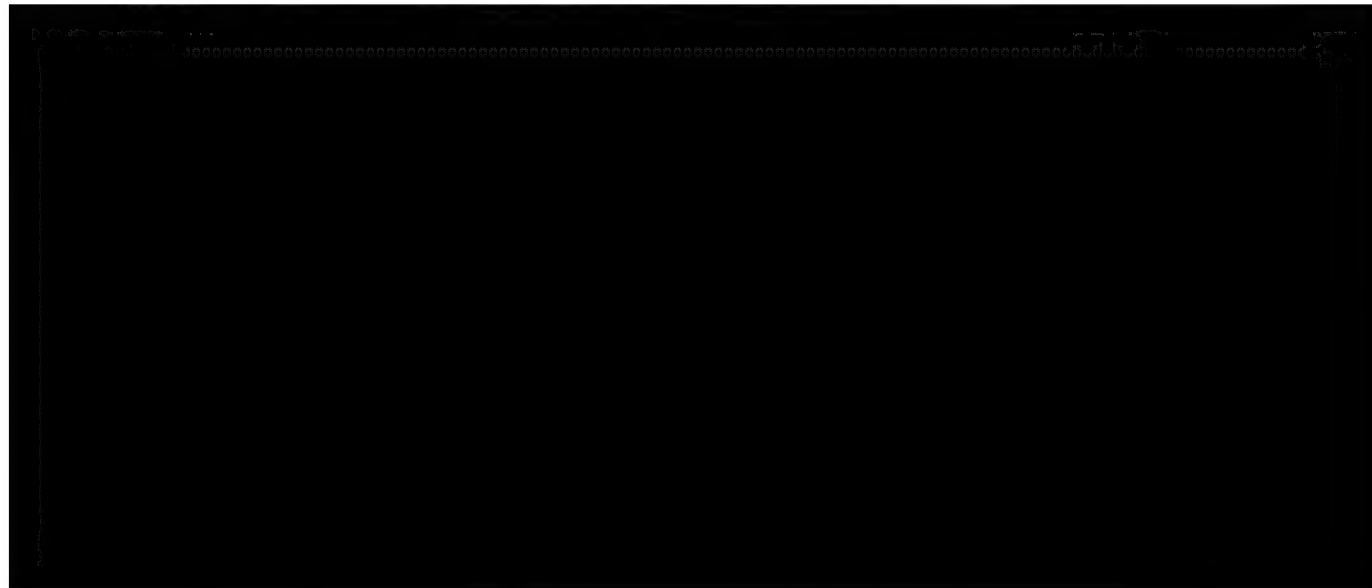
2. Currently, I am concluding a study of the armament industry of the USSR. The study is based on static analysis of the input-output relations of the industry and its capacity to produce under certain conditions. The study utilizes all information which is now available to CIA, G-2, and A-2. In the future, it is hoped that more information will become available and that the study will be revised with an aim to improvement and refinement. In the meantime, however, it would seem appropriate to examine the relationships of the industry in a dynamic context and to ask questions about future courses of development.

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4. We are led, therefore, to consideration of our own experience in order to gather answers to questions concerning the Soviet Union. It is here the proposed thesis may be of some aid.

5. In the preliminary survey of the problem with which the dissertation deals, namely, the structure of capital investment in the U. S. since, perhaps, the turn of the century, it is apparent that there are certain secular trends in the investment pattern. For instance, investment in buildings seems to decline relative to investment in equipment. As of today investment in capital facilities is only 90% of the 1939 level. For capital equipment, on the other hand, the rate is about 250% of its 1939 level.

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8. With respect to my request for half time to pursue this study, I should like to say that the time requested is in all probability inadequate. Supplemented by evenings and week-ends, the period should be sufficient to complete the research. I am accumulating my annual leave in order to use it for writing. My annual leave by that time should amount to about two months. This should be adequate for a first draft. The rewriting can be taken care of in evenings and week-ends and, if necessary, during a short period of leave of absence.

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Approved For Release 2002/01/02 : CIA-RDP75-00662R000200140005-3

6 June 1952

TO: Acting AD
THROUGH: Chief, D/I, RR
FROM:  25X1A8A
SUBJECT: Request for permission to conduct research on the
Age Distribution of Investment in Capital Goods, U. S.
and England

It is requested that I be released half-time each day from my regular duties in Weapons Branch, D/I, for a period of seven (7) months to engage in research on The Age Distribution of the Investment in Capital Goods which has taken place in the U. S. and England during the past quarter of century.

Since the distribution of investment among the different age categories of capital goods is functionally related to the average age of capital equipment and facilities in existence at any given point of time, this project is not without intelligence value. This is due to the dependency of flexibility in an economy to the newness of its equipment.

It is not anticipated that the release from my regular duties involving research on projects 108/51 and 109/51 will in any way interfere with the completion of these projects by 1 Sept. 1952. The proposed research project will be used as a doctoral dissertation in Economics, University of Chicago.

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Approval (not) recommended _____ Chief, D/I, RR

Returned, approval granted _____ Acting AD

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CAD/RR
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7 JUN 1952